

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRASIL 06398 151354Z
ACTION TRSE-00

INFO OCT-01 ARA-10 ISO-00 SSO-00 EB-08 /019 W
-----097725 151356Z /40
O 151325Z AUG 78
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC IMMEDIATE 8648

LIMITED OFFICIAL USE BRASILIA 6398

PASS TREASURY FOR SECRETARY BLUMENTHAL

E.O. 11652: N/A
TAGS: EFIN, ETRD, BR
SUBJECT: FINANCE MINISTER'S AUGUST 14 LETTER TO SECRETARY OF TREASURY

REF: BRASILIA 6270

1. FOLLOWING IS TEXT OF LETTER FROM FINANCE MINISTER
SIMONSEN TO SECRETARY BLUMENTHAL, DATED AUGUST 14, AND
GIVEN TO EMBASSY FOR TRANSMISSION:
BEGIN TEXT:
DEAR MIKE:
IN ADDITION TO MY LETTER OF AUGUST 9, I WOULD LIKE
TO CONVEY TO YOU SOME IDEAS ON THE ISSUE OF SUBSIDIES AND
COUNTERVAILING MEASURES.
IT IS MY UNDERSTANDING, AND I BELIEVE IT IS ALSO
YOURS, THAT A PERMANENT AND EQUITABLE SOLUTION TO THIS ISSUE
SHOULD BE SOUGHT IN A MULTILATERAL CODE THAT WOULD SPELL
OUT CLEAR RULES ON THE USE OF SUBSIDIES AND COUNTER-
MEASURES.
BRAZIL IS ACTIVELY PARTICIPATING IN THE DISCUSSIONS
ON SUCH A CODE AND, FOR ITS SUCCESSFUL CONCLUSION,
IS WILLING TO CONSIDER UNDERTAKING NEW RESPONSIBILITIES
IN THIS AREA, AS A SUBSTANTIAL CONTRIBUTION TO THE
MULTILATERAL TRADE NEGOTIATIONS AS A WHOLE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRASIL 06398 151354Z

HOWEVER, THE CODE SHOULD CONTAIN OPERATIVE
PROVISIONS WHICH WOULD PLACE ON THE DEVELOPING
COUNTRIES LESS STRINGENT OBLIGATIONS WITH REGARD
TO THE DEFINITION OF PROHIBITED SUBSIDIES AND THE
APPLICATION OF AVAILABLE COUNTERMEASURES, ESPECIALLY
THOSE ENVISAGED UNDER ARTICLE XXIII OF THE GATT.
AS A MATTER OF FACT, THE DRAFT CODE INTRODUCED

BY THE UNITED STATES AND OTHER DEVELOPED COUNTRIES AT THE MTN RECONGNIZES THAT SUBSIDIES CAN PLAY AN IMPORTANT ROLE IN THE DEVELOPING STRATEGIES OF DEVELOPING COUNTRIES.

ON THE OTHER HAND, WE HAVE SPECIFIC BILATERAL PROBLEMS PENDING IN THE AREA OF COUNTERVAILING DUTIES. PARTICULARLY WITH RESPECT TO THE TEXTILE CASE, I FEAR THAT, IN THE EVENT OF A DECISION THAT WOULD HARM THE BRAZILIAN INDUSTRY, AN INTERNAL CLIMATE UNFAVORABLE TO AN AGREEMENT IN CONNECTION WITH THE CODE MAY DEVELOP.

FOR THAT REASON IT IS IMPORTANT THAT A SATISFACTORY SOLUTION FOR THE TEXTILE CASE BE FOUND. I ALSO HOPE THAT THE UNITED STATES WILL BE ABLE TO CONSIDER WAIVING THE IMPOSITION OF COUNTERVAILING DUTIES NOW AFFECTING BRAZILIAN EXPORTS. SUCH WAIVER WOULD GREATLY FAVOR THE NEGOTIATIONS.

I AM AWARE THAT THE WAIVER AUTHORITY OF THE U.S. EXECUTIVE WILL EXPIRE ON JANUARY 4, 1979, BUT I AM CONFIDENT THAT, GIVEN THE PROSPECT OF SUCCESSFUL AGREEMENTS IN THE MTN, THE U.S. CONGRESS WILL EXTEND THIS AUTHORITY.

FRANCISCO DORNELLES, WHO WILL BE LEADING MY DELEGATION IN WASHINGTON THIS MONTH, WILL BE ABLE TO DISCUSS THESE IDEAS WITH U.S. OFFICIALS.

FINALLY, I DEEM IT IMPORTANT THAT, AS A RESULT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BRASIL 06398 151354Z

OF THESE COMING DISCUSSIONS, BOTH SIDES CAN HAVE A CLEARER AND MORE PRECISE PICTURE OF THE RESPECTIVE POSITIONS ON THIS ISSUE, AND CONSEQUENTLY BE ENABLED TO TAKE THE NECESSARY DECISIONS. COMPLIMENTARY CLOSE. END TEXT.

2. ORIGINAL OF LETTER BEING POUCHED TO TREASURY. SAYRE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DIPLOMATIC COMMUNICATIONS, COUNTERVAILING DUTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 15 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BRASIL06398
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780333-0765
Format: TEL
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780861/aaaabymq.tel
Line Count: 102
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 3401f762-c288-dd11-92da-001cc4696bcc
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 BRASILIA 6270
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1730746
Secure: OPEN
Status: NATIVE
Subject: FINANCE MINISTER'S AUGUST 14 LETTER TO SECRETARY OF TREASURY
TAGS: EFIN, ETRD, BR, US, (BLUMENTHAL, W MICHAEL), (SIMONSEN, MARIO HENRIQUE)
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/3401f762-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014